

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 633 - HB 1022

March 11, 2019

SUMMARY OF ORIGINAL BILL: Enacts multiple changes, all broadly related to the Tennessee Consolidated Retirement System (TCRS). Such changes include, but are not limited to:

- Establishing that any individual participating in the Optional Retirement Program (ORP) for Employees of Public Institutions of Higher Education, whose position is reclassified from exempt to non-exempt, pursuant to the *Fair Labor Standards Act* (29 U.S.C. § 201), after at least one year of service in the exempt position, shall maintain participation in the ORP;
- Deleting a provision that establishes that employer contributions must be credited to the Optional Retirement Fund and are not refundable for any reason, except death;
- Establishing that guidance counselors are included in the definition of "teacher" for the purposes of the TCRS;
- Prohibiting employers participating in TCRS from requiring an employee who has completed a temporary period of employment before becoming eligible for TCRS to complete an additional temporary employment period if such employee has been terminated and subsequently rehired by the employer; and
- Establishing that a current early service retiree shall not change to disability retirement and vice versa.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005138): Deletes language from the original bill that allows the TCRS to permit public charter schools to report and submit funds directly to the retirement system; provided, however, that in the event a public charter school does not report and submit funds, the associated local board of education shall provide the required report and funds to the retirement system.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumption for the bill as amended:

- The Department of Treasury has confirmed that passage of this legislation will not impact the liability of the TCRS plan or operations within the Department to effectuate the provisions of this legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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